

**City of Falls Church
Economic Development Authority
FINAL Minutes
Thursday, October 18, 2007 – 6:30 p.m.
Library Conference Room, Main floor
Mary Riley Stiles Public Library
120 N. Virginia Avenue, Falls Church, VA 22046**

I. Call to Order

EDA Chairman Ed Saltzberg called the meeting to order at 7:47 p.m.

EDA Board Members: Ed Saltzberg, Barry Buschow, David Tarter, Bruce Swenson

Excused: Warren Cohen, Bob Butchko, A.C. Miller

ED Staff: Richard Goff, Becky Witsman, Lovey Testa

Public: Chris Ciliberti (Waterford); Maureen Budetti (Planning Commission); Cindy Mester (Assistant City Manager); Dan Sze (City Council Member); Matt Salt (FDA News/FirstFriday); Gina Caceci (FirstFriday); Tom Gittins (Art & Frame of FC/FirstFriday)

II. Petitions from the Public (5 minutes per petitioner) - None

III. Petitions from the Board (5 minutes per petitioner) - None

IV. Approval of July 2007 Minutes - Approved

V. New Business

a. Consideration of Consulting Contract with Bolan Smart Associates

Mr. Richard Goff, Economic Development Director, briefly described the consulting services provided by Bolan Smart Associates. He distributed copies of the contract. Mr. Goff added that the contract would not exceed \$10,000.00, and will be on an assignment basis.

Mr. Barry Buschow moved to approve the contract with Bolan Smart Associates. Mr. David Tarter seconded. The motion was approved 4-0.

b. Spectrum Special Exception Amendment – Review and Comment

Mr. Goff provided a short description of the Special Exception (SE) Amendment being requested by Waterford Development for the Spectrum. The SE Amendment to Resolution TR07-30 would allow both retail and service uses in a commercial area and specifically a bank use on the commercial frontage. The Spectrum still has 6,000 square feet of corner retail space that is vacant. City staff studied the impact of either putting a bank, restaurant, or a retailer in said space. Their fiscal impact study showed that a restaurant would have the greatest tax yield because of the meals tax. Banks, on the other hand, will generate 35% of taxes more than retail generally because they pay more in real estate tax due to

higher rent. In addition, the sales tax is off-set by the bank franchise tax. Mr. Goff further said that the city's retail consultant reviewed the proposal and concluded that a bank would not negatively affect retail in the vicinity. The space is in an awkward location where it is farthest from the parking area. The city's financial consultant also thought that bank clientele can create a synergy with retailers during banking hours. Mr. Goff then introduced Mr. Christopher Ciliberti, President of Waterford Commercial.

Mr. Ciliberti discussed Waterford's retail recruitment efforts in Falls Church. Waterford's marketing team started in January 2005 and continues to reach out to retailers. They have worked with city staff and have sent marketing blast e-mails to many retailers. Waterford has also followed up with those retailers who initially declined to locate in Falls Church.

Mr. Ciliberti admitted that it is difficult to market the 6,000 square feet of corner space. Nevertheless, their objective is still to create a market square area between the Spectrum and the 450 West Broad building. Their anchor restaurant will be "Not Your Average Joe's". Other confirmed retail tenants are Little Gym (activity center for children), Silk (high-end spa), and Tropical Smoothie Café. There are three or four vacant retail spaces left. Mr. Ciliberti said that the Spectrum has Class A retail space with 20 foot ceilings, which was designed to meet retailers' highest standard space requirements.

Mr. Saltzberg inquired what it would take to bring national retail tenants to the city. Mr. Ciliberti replied that it all comes down to critical mass, co-tenancy, and a change in retailers' attitudes. Regional retailers currently prefer to locate in more traditional mall settings. Many of these big retailers already have a site in Tysons Corner and do not want to cannibalize their business by opening another store nearby. Mr. Ciliberti also said that these perceptions could change in the long run.

As for the office townhouses being built along Park Avenue, Mr. Ciliberti said that three-quarters of the space has been leased, leaving two floors available. This is equivalent to about 8,000 square feet. Delivery of the Spectrum is scheduled for March 2008.

Mr. Buschow cited a shopping center, Old Dominion at McLean, which offers a variety of shops all in one area. He wanted to know if Falls Church can evolve to such a mixed-retail scenario. Mr. Ciliberti thinks so, but admitted that it is a slow process. He added that their marketing team has been going out to Old Town Alexandria and Bethesda, knocking on the doors of retailers and spreading the word about the retail opportunities in Falls Church.

Mr. Swenson said that the ultimate goal is to have a place where people can gather. He said a bookstore would be a good example. Mr. Saltzberg said that it could happen over time. Mr. Swenson added that if the goal is to have more restaurants, but the design does not allow for it, the city is left with no other choice but to put a bank. Mr. Swenson added that the city should ensure that it does not happen again, as it did with the Byron, because it sets a precedent of putting banks all along Route 7/Broad Street.

Mr. Ciliberti said that the restaurant capacity of the Spectrum changed after KoiKoi Sushi opened right across at the 450 West Broad building. This impacted the overall amount of shared parking available for retail in the Spectrum.

Mr. Buschow moved to fashion a recommendation for the Spectrum Special Exception Amendment, similar to that of the Byron recommendation, but with the City defining some of the terms. Mr. Saltzberg seconded. The motion was approved 4-0.

c. Setting November 2007 EDA Board Meeting Date

The meeting is scheduled for November 6. It will be held at the Administrative Conference Room, 3rd Floor-East Wing, City Hall.

d. Setting 2008 EDA Board Meeting Calendar

Approved.

VI. Old Business

a. Update on First Friday (Tom Gittins)

Matt Stone, Publisher of FDA News and a new member of the First Friday team, gave a PowerPoint presentation on First Friday and their marketing efforts. Mr. Stone introduced the new First Friday web site and other means of advertising the event online (e-mail promotion through a weekly newsletter; search engine marketing). He also talked about their plans for “offline advertising” (newspaper; flyers), and making people aware of the event through word of mouth.

The presentation also provided a breakdown of the costs: Web site (\$650/year); E-mail (\$380/year); Printing flyers (\$1,000/year); Ads in the Falls Church News Press at ½ page per month (\$10,974); and additional costs if they plan to expand their marketing efforts into other local markets.

Mr. Saltzberg asked if there are First Friday events in other localities. Tom Gittins, owner of Arts & Frame of Falls Church and lead organizer of First Friday, replied that different cities nationwide have First Friday events. He said that First Friday can cater to how people want it to be. For example, he said it can be used as a tool to promote office and retail space. Mr. Stone said that First Friday can be utilized as a marketing campaign for events. Mr. Saltzberg inquired how attendance has been for the city’s First Friday. Mr. Gittins said that around 300 to 500 people attend the monthly events. Mr. Saltzberg commented that the EDA has an outreach responsibility. Mr. Swenson suggested that First Friday’s web site should be linked to the city’s web site. Cindy Mester, Assistant City Manager, said that it already is, and will also be linked to the city’s new web site. Mr. Swenson asked if the ED staff can mention First Friday during their meetings with retailers. Becky Witsman, Business Development Manager, replied that staff makes it a point to inform retailers of the city’s First Friday event. Mr. Swenson suggested helping promote First Friday when staff meets with owners of local businesses.

Mr. Gittins said that information about First Friday will be available all the time now that their web site is up. He added that he and Ms. Witsman will be meeting with a representative of the Eden Center to find out if they would also like to participate. Mr. Saltzberg inquired about the contributions made by local businesses that participate in First Friday. Mr. Gittins said that their current asking price for an ad is \$25.00; they are thinking of increasing that fee to \$35.00. He said while some businesses think the current fee costs too much, other businesses are willing to pay the full price. Gina Caceci, a consultant who also works on First Friday, added that the sales process takes a lot of time and interaction with business owners. Mr. Saltzberg commented that the principal question is how to market the event and step up the efforts in doing so.

Mr. Gittins requested if the EDA could pay the remaining \$2,970.00, which he said would help carry First Friday until February/March 2008. He added that the Chamber is contributing \$1,200.00 per year. The other sponsors include: Sunrise, Atlantic Realty, Falls Church Arts, etc. Mr. Swenson suggested

reducing the ad in the News Press to ¼ page. Mr. Gittins acknowledged that they are looking into it; Mr. Stone agreed that the money could be used in other marketing efforts. Mr. Saltzberg suggested for Mr. Gittins, et al., to come back in February 2008 and provide the EDA with a status report on their marketing efforts. Maureen Budetti, Planning Commission liaison to the EDA, mentioned doing “home-style marketing”, and wanted to know if they have thought about putting signs at the Metro stations. Mr. Gittins said that they have thought of putting free ride ads on the GEORGE bus, or have a performer right outside of the Metro stations with signs for First Friday. Mr. Tarter suggested that the Chamber and other businesses should provide more funds. He added that there should be other ways to provide incentives to other businesses so that they can participate more in the events. Mr. Swenson said that the Chamber should encourage its members to participate in First Friday and suggested having a street-fair event with booths for each member so they can promote their products/services. Mr. Gittins said that the parking lot behind the Broad Street Grill could become a destination for First Friday events. He suggested developing the area by making the building façade more artistic. Mr. Saltzberg requested Mr. Swenson to follow up with Mr. Gittins on their marketing efforts.

Mr. Buschow moved to approve the rest of the funding for First Friday in the amount of \$2,970. Mr. Swenson seconded. The motion was approved 4-0.

VII. Staff Reports

- a. Development Projects**
- b. Business Assistance Activities**
- c. Upcoming Meetings**

VIII. EDA Member Reports

- IX. Other Business** – after the Closed Session, there was some brief discussion on the Podolnick site, and on the Post Office.
- X. Adjournment** – Mr. Swenson moved to adjourn the meeting. Mr. Buschow seconded the motion. The meeting adjourned at 8:54 p.m.
- XI. Closed Session:** Pursuant to Section 2.2-3711 (A)(3) of the Code of Virginia for the “[d]iscussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.”

Mr. Buschow moved to go into Closed Session. Mr. Saltzberg seconded. The motion was approved 4-0. The Closed Session officially began at 8:00 p.m.

Before the end of the Closed Session, Mr. Swenson moved to certify the Closed Session. Mr. Tarter seconded. The motion was approved 4-0. The Closed Session was certified and adjourned at 8:50 p.m.

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